

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Behavioral Health	(2) MEETING DATE 7/22/2014	(3) CONTACT/PHONE Cindy Collins 788-2932	
(4) SUBJECT Request to approve a fourth amendment increase in the amount of \$431,890 to the Multi-Year State Agreement (Clerk's File) with the Department of Health Care Services for an overall contract amount of \$7,605,347 for years 2010-2014 for Substance Use Disorder Services. All Districts.			
(5) RECOMMENDED ACTION  It is recommended that the Board approve and direct Chairperson to sign a fourth amendment increase in the amount of \$431,890 to the Multi-Year State Agreement with the Department of Health Care Services for an overall contract amount of \$7,605,347 for years 2010-2014.			
(6) FUNDING SOURCE(S) CA State DHCS	(7) CURRENT YEAR FINANCIAL IMPACT \$2,436,222.00	(8) ANNUAL FINANCIAL IMPACT \$2,436,222.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)  n/a		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: n/a <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>Jan 17, 2014</u>	
(17) ADMINISTRATIVE OFFICE REVIEW  Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director  
Anne Robin, Behavioral Health Administrator

DATE: 7/22/2014

SUBJECT: Request to approve a fourth amendment increase in the amount of \$431,890 to the Multi-Year State Agreement (Clerk's File) with the Department of Health Care Services for an overall contract amount of \$7,605,347 for years 2010-2014 for Substance Use Disorder Services. All Districts.

## **RECOMMENDATION**

It is recommended that the Board approve and direct Chairperson to sign a fourth amendment increase in the amount of \$431,890 to the Multi-Year State Agreement with the Department of Health Care Services for an overall contract amount of \$7,605,347 for years 2010-2014.

## **DISCUSSION**

Due to a delay at the State in processing Drug Medi-Cal FY 2013-14 requested increases, the Behavioral Health Department is requesting approval of an amendment to the Multi-Year State Agreement with the Department of Health Care Services for FY 2010-2014 to reimburse the County for Substance Use Disorder (SUD) approved services provided by Behavioral Health retroactively to July 1, 2013. Since the State did not execute the Board approved third amendment, the Department is returning to the Board to approve a fourth amendment with DHCS to access FY 2013-14 billed Drug Medi-Cal and non-Drug Medi-Cal revenue for SUD services.

The State requires approval of the contract amendment if the County is to receive reimbursement for SUD services performed by the County, Aegis and the County Office of Education in the fiscal year just ended, FY 2013-14. This includes reimbursement revenue from both the Drug Medi-Cal Program and the non-Drug Medi-Cal Substance Abuse Prevention and Treatment Services (SAPT) Block grant. Total projected revenue for FY 2013-14 to be received is \$2,436,222.

Your Board adopted the initial three year State Agreement with the State Department of Alcohol and Drug Program (ADP) on June 22, 2010, for services periods July 2010 through June 2013. On October 16, 2012, your Board adopted a second amendment to transfer the "Drug Medi-Cal" responsibilities from ADP to the Department of Health Care Services (DHCS). For FY 2013-14, your Board adopted the third contract amendment in the amount of \$2,004,332 on January 17, 2014 in which the contract period was extended to June 2014, as well as increasing the agreement to facilitate the reimbursement of Drug Medi-Cal services provided by certified pass thru subs-contractors which include the County Office of Education for their Sober Schools program and Aegis Treatment Centers, a Narcotic Treatment Program.

DHCS is currently in the process of distributing the FY 2014-15 contract for Substance Use Disorder (SUD) services. Once the County receives the new contract, the Department will return to the Board for approval.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

County Counsel has approved these contracts as to form and legal effect.

### **FINANCIAL CONSIDERATIONS**

The requested amendment to the DHCS Substance Use Disorder Services contract amount of \$7,605,347 includes an increase of \$431,890 to the FY 2013-14 Drug Medi-Cal funds available for approved billable services once an entity is Drug Medi-Cal certified. The contract increase will allow the County to reimburse County Office of Education Sober Schools program and Aegis Treatment Service, for their approved Drug Medi-Cal services. Additionally, once this contract amendment has been approved, DHCS will distribute the non-Drug Medi-Cal SAPT dollars for FY 2013-14 for County services as well as approved Drug Medi-Cal funds to the two community based providers. This contract amendment does not affect the level of General Fund Support required by the Department. The Department will accrue the associated SAPT revenue during the FY 2013-14 year-end processes. FY 2014-15 contracts with DHCS, County Office of Education and Aegis Treatment Centers will reflect and approved increases in Drug Medi-Cal dollars available for certified entities.

### **RESULTS**

This contract is an important funding source to the Behavioral Health Department to provide substance abuse prevention, treatment and recovery services. Outcomes of these programs are articulated in the Department's Performance Measures which are a part of the county budget process. These performance measures include measurable impacts of treatment on recovery, high rates of client satisfaction, and penetration rate of prevention services on the general population.

For example, 97% of approximately 850 substance abuse treatment clients will demonstrate reduced or elimination alcohol and other drug use as well as maintenance of their sobriety upon completion of their treatment program with the Drug and Alcohol Services Division.

The funds received through the Substance Abuse Disorder contract help the Health Agency Behavioral Health Department – Drug and Alcohol Services achieve its mission of promoting safe, healthy, responsible and informed choices concerning alcohol and other drugs through programs responsive to community needs. That mission contributes to efforts to achieve the desired community wide result of both a "Healthy Community" and a "Safe Community".

### **ATTACHMENTS**

1. Attachment 1: Clerk's Filed Coversheet for DHCS SUD Services Contract Amendment